

Federal Communications Commission  
Washington, DC 20554**RECEIVED**

In the matter of:

JUN 8 2001

An Appeal by  
Southwest Virginia Education  
And Training Network  
of Decision of Universal  
Service Administrator)  
)  
)  
)  
)  
)  
)**FCC MAIL ROOM**Docket Nos. 97-21 and 96-45

The Applicant, a consortium of eligible and ineligible entities and the relevant party in this request, is identified by the Schools and Library Division of USAC as

Billed Entity Number: 154960

This request concerns

Application Number: 200540

Funding Request Number: 452541

We are requesting that the FCC review and reinstate the reduction made by the Schools and Libraries Division of USAC in the Funding Commitment Decision Letter dated May 9, 2001, for Year 3. In funding our request, the Pre-Discount amount on which the award was based was reduced by \$10,000 from the amount shown in our Form 471 Application. The Decision Explanation states: "The dollars requested were reduced to remove the ineligible construction charges."

We assert that there is no basis for declaring this estimated charge ineligible. The directions for completing the Form 471 Application require that one "Estimate your total amount of annual non-recurring (one time) pre-discount charges for this service." (Block 5, Section 23, Column F). This was done.

On January 2 2001, presumably as a part of the Program Integrity review, Mr. Ken Collis, who questioned, among other things, the \$10,000 estimate, contacted us. We responded that the \$10,000 was a verbal estimate of anticipated costs for the service provider, a common carrier, to move their fiber optic cable providing existing telecommunications services from one high school to another, that being the school district's career and technology center.

Citing SLD "guidelines," in a January 9, 2001 e-mail Mr. Collis stated that "a verbal (price) quote was not sufficient documentation." In a follow-up telephone conversation he suggested that SVETN obtain the estimate in writing. On January 16, the deadline cited by Mr. Collis, a copy of the Verizon estimate, over the signature of Michael Clark, was faxed to Mr. Collis.

No. of Copies rec'd 0

List A B C D E

Southwest Virginia Education and Training Network  
Letter of Appeal  
Page 2 of 2

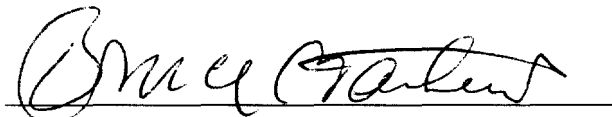
In summary, we appeal to the FCC to direct the Schools and Libraries Corporation to adjust FRN 452541 to reflect what we assert is the true and eligible Total Program Year Pre-Discount amount of \$232,145.20 making this the amount on which our Approved Discount Percentage of 70% is applied. We believe that we conformed to the requirements of the original 471 Application, the stipulation added by Mr. Collis, and the timing of our response.

To facilitate your review, we have enclosed copies of the following documents

1. May 9, 2001 Funding Commitment Letter
2. Block 5, page 6 of 10 of Form 471 Application
3. A letter from Michael R. Clark of GTE Southeast (d.b.a. Verizon) confirming the \$10,000 estimate of construction charges.
4. E-mail between Mr. Mathews of SVETN and Mr. Collis of SLD

Respectfully Submitted this June 7, 2001,

Southwest Virginia Education and Training Network



Authorized Signature

Bruce Mathews, Executive Director  
(540) 469-4020

cc: Schools and Libraries Corporation  
Box 125—Correspondence Unit  
80 South Jefferson Road  
Whippany, NJ 07981

Mr. Greg Weisiger  
Virginia Department of Education  
P. O. Box 2120  
Richmond, VA 23218

The Honorable Rick Boucher  
U.S. Representative, Ninth District  
188 East Main Street  
Abingdon, VA 24210

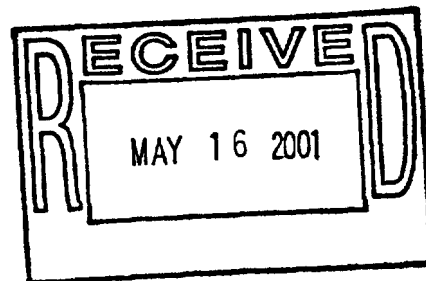


Universal Service Administrative Company  
Schools & Libraries Division

FUNDING COMMITMENT DECISION LETTER

(Funding Year 3: 07/01/2000 - 06/30/2001)

May 09, 2001



SOUTHWEST VIRGINIA EDUCATION AND TRAINING NETWORK  
Bruce Mathews  
P.O. Box 1987  
Abingdon, VA 24212-1987

Re: Form 471 Application Number: 200540  
Funding Year 3: 07/01/2000 - 06/30/2001  
Billed Entity Number: 154960

Thank you for your 2000-2001 E-rate application and for any assistance you provided throughout our review. We have completed review of your Form 471. This letter is to advise you of our decision(s).

FUNDING COMMITMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Report for the Form 471 application cited above. We have reviewed each Discount Funding Request on your Form 471 application and have assigned a Funding Request Number (ERN) to each Block 5. The enclosed report includes a list of the ERNs from your application. The SLD is also sending this information to your service provider(s) so preparations can be made to begin implementing your E-rate discount(s) upon the filing of your Form 486. Immediately preceding the Funding Commitment Report, you will find a guide that defines each line of the Report.

NEXT STEPS

Once you have reviewed this letter and have determined that some or all of your requests have been funded, your next step to facilitate receipt of discounts as featured in this letter will be to file an FCC Form 486 with the SLD. The Form 486 notifies the SLD to begin payment to your service provider and provides certified indication that your technology plan(s) has been approved. The Form 486 will be mailed to you under separate cover and is also available on the SLD web site at [www.sl.universalservice.org](http://www.sl.universalservice.org). If you are filing a Form 486 for Funding Year 3 services (July 1, 2000 through June 30, 2001), there are certain circumstances under which you will be able to file your Form 486 before the receipt of services. These circumstances are detailed in the letter being sent to you under separate cover and on the web site. As you complete Form 486, you should also contact your service provider to verify they have received notice from the SLD of your funding commitments. After the SLD processes your Form 486, we can begin processing invoices from your service provider(s) so they can be reimbursed for discounted services they have provided you.

TO APPEAL THESE FUNDING COMMITMENT DECISIONS

If you wish to appeal the Funding Commitment Decision(s) (FCD) indicated in this letter, your appeal must be made in writing and RECEIVED BY THE SLD at the address below WITHIN 30 DAYS OF THE ABOVE DATE ON THIS LETTER. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and e-mail address (if available) for the person who can most readily discuss this appeal with us.

2. Identify which FCD Letter you are appealing. Your letter of appeal must include the applicant name, the Form 471 Application Number, and the Billed Entity Number from the top of your FCD Letter.
3. Identify the particular Funding Request Number (FRN) that is the subject of your appeal. When explaining your appeal, include the precise language or text from the Funding Commitment Decision Letter that is at the heart of your appeal. By pointing us to the exact words that give rise to your appeal, the SLD will be able to more readily understand and respond appropriately to your appeal. Please keep your letter brief and to the point, and provide documentation to support your appeal. Be sure to keep copies of your correspondence and documentation.
4. Provide an original authorized signature on your letter of appeal.

Please send your appeal to: Letter of Appeal, Schools and Libraries Division, Box 125 - Correspondence Unit, 80 South Jefferson Road, Whippany, NJ 07981. Appeals submitted by fax, phone call, and e-mail CANNOT be processed. While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC): FCC, Office of the Secretary, 445-12th Street SW, Room TW-A325, Washington, DC 20554. Further information regarding filing an appeal directly with the FCC can be found in the "How to Apply, Step-by-Step" area of the SLD web site [www.sl.universalservice.org](http://www.sl.universalservice.org).

#### NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the universal service mechanisms for schools and libraries. FCC Form 471 Applicants who have received funding commitments continue to be subject to audits and other reviews that SLD or the Federal Communications Commission may undertake periodically to assure that funds have been committed and are being used in accordance with all such requirements. If the SLD subsequently determines that its commitment was erroneously issued due to action or inaction, including but not limited to that by SLD, the Applicant, or Service Provider, and that the action or inaction was not in accordance with such requirements, SLD may be required to cancel these funding commitments and seek repayment of any funds disbursed not in accordance with such requirements. The SLD, and other appropriate authorities (including but not limited to USAC and the FCC), may pursue enforcement actions and other means of recourse to collect erroneously disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

We look forward to continuing our work with you on connecting our schools and libraries through advanced telecommunications services.

Sincerely,

Kate L. Moore  
President, Schools and Libraries Division, USAC

Enclosures

## A GUIDE TO THE FUNDING COMMITMENT REPORT

Attached to this letter will be a report for each E-rate funding request from your application. We are providing the following definitions.

- \* **FUNDING REQUEST NUMBER (FRN):** A Funding Request Number is assigned by the SLD to each Block 5 of your Form 471 once an application has been processed. This number is used to report to Applicants and Service Providers the status of individual discount funding requests submitted on a Form 471.
- \* **FUNDING STATUS:** Each FRN will have one of three definitions: "Funded," "Not Funded," or "As Yet Unfunded."
  1. An FRN that is "Funded" will be approved at the level that SLD determined is appropriate for that item. The funding level will generally be the level requested unless the SLD determines during the application review process that some adjustment is appropriate.
  2. An FRN that is "Not Funded" is one for which no funds will be committed. The reason for the decision will be briefly explained in the "Funding Commitment Decision," and amplification of that explanation may be offered in the section, "Funding Commitment Decision Explanation." An FRN may be "Not Funded" because the request does not comply with program rules or, that the total amount of funds in the Universal Service Fund was insufficient to fund all requests.
  3. An FRN that is "As Yet Unfunded" reflects a temporary status that is assigned to an FRN when the SLD is uncertain at the time the letter is generated whether there will be sufficient funds to make commitments for requests for internal connections at a particular discount level. For example, if your application included requests for discounts on both telecommunications services and internal connections, you might receive a letter with our funding commitment for your telecommunications funding requests and a message that your internal connections requests are "As Yet Unfunded." You would receive a subsequent letter(s) regarding the funding decision on your internal connections requests.
- \* **SPIN (Service Provider Identification Number):** A unique number assigned by the Universal Service Administrative Company to service providers seeking payment from the Universal Service Fund for participating in the universal service support programs. A SPIN is also used to verify delivery of services and to arrange for payment.
- \* **SERVICE PROVIDER NAME:** The legal name of the service provider.
- \* **CONTRACT NUMBER:** The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on Form 471.
- \* **SERVICES ORDERED:** The type of service ordered from the service provider, as shown on Form 471.
- \* **EARLIEST POSSIBLE EFFECTIVE DATE OF DISCOUNT:** The first possible date of service for which the SLD will reimburse service providers for the discounts for the service. Note: If the actual service start date provided on a Form 486 is later than this date, the actual service start date set forth in the Form 486 will be the effective date of the discount.
- \* **CONTRACT EXPIRATION DATE:** The date the contract expires. This will be present only if a contract expiration date was provided on Form 471.
- \* **SITE IDENTIFIER:** The Entity Number listed in Form 471, Block 5, Item 22a will be listed. This will appear only for "site specific" FRNs.
- \* **BILLING ACCOUNT NUMBER:** The account number that your service provider has established with you for billing purposes. This will be present only if a Billing Account Number was provided on Form 471.
- \* **PRE-DISCOUNT AMOUNT:** Amount in Block 5, Item 23, Column I, Form 471, as determined through the application review process.
- \* **DISCOUNT PERCENTAGE APPROVED BY THE SLD:** This is the discount rate that the SLD has approved for this service.
- \* **FUNDING COMMITMENT DECISION:** This represents the total amount of funding that the

SLD has reserved to reimburse service providers for the approved discounts for this service through June 30, 2001. It is important that you and the service provider both recognize that the SLD should be invoiced and the SLD may direct disbursement of discounts only for eligible, approved services actually rendered.

- \* FUNDING COMMITMENT DECISION EXPLANATION: This entry may amplify the comments in the "Funding Commitment Decision" area.

# FUNDING COMMITMENT REPORT

Form 471 Application Number: 200540

Funding Request Number: 452485      Funding Status: Funded  
SPIN: 143019614      Service Provider Name: Sprint (Local Telephone Division)  
Contract Number: T  
Services Ordered: Telecommunications Service  
Earliest Possible Effective Date of Discount: 07/01/2000  
Contract Expiration Date: N/A  
Billing Account Number: 540 628 9478  
Pre-Discount Amount: \$491.64  
Discount Percentage Approved by the SLD: 64%  
Funding Commitment Decision: \$314.65 - FRN approved; modified by SLD  
Funding Commitment Decision Explanation: The share discount was corrected.

Funding Request Number: 452488      Funding Status: Funded  
SPIN: 143005695      Service Provider Name: Sprint Communications Company L.P.  
Contract Number: T  
Services Ordered: Telecommunications Service  
Earliest Possible Effective Date of Discount: 07/01/2000  
Contract Expiration Date: N/A  
Billing Account Number: 540 628 9478  
Pre-Discount Amount: \$1,501.80  
Discount Percentage Approved by the SLD: 64%  
Funding Commitment Decision: \$961.15 - FRN approved; modified by SLD  
Funding Commitment Decision Explanation: The share discount was corrected.

Funding Request Number: 452492      Funding Status: Funded  
SPIN: 143001422      Service Provider Name: Verizon-Virginia, Inc.  
Contract Number: N/A  
Services Ordered: Telecommunications Service  
Earliest Possible Effective Date of Discount: 07/01/2000  
Contract Expiration Date: 09/07/2004  
Billing Account Number: 023 196 4137 751 22  
Pre-Discount Amount: \$454,047.28  
Discount Percentage Approved by the SLD: 68%  
Funding Commitment Decision: \$308,752.15 - FRN approved; modified by SLD  
Funding Commitment Decision Explanation: The estimated one time charge was changed to reflect the documentation provided by the applicant.

Funding Request Number: 452528      Funding Status: Funded  
SPIN: 143001420      Service Provider Name: Sprint/United Tel. - Southeast, Inc.  
Contract Number: 95-2033  
Services Ordered: Telecommunications Service  
Earliest Possible Effective Date of Discount: 07/01/2000  
Contract Expiration Date: 12/14/2005  
Billing Account Number: 5406286327  
Pre-Discount Amount: \$370,018.92  
Discount Percentage Approved by the SLD: 57%  
Funding Commitment Decision: \$210,910.78 - FRN approved; modified by SLD  
Funding Commitment Decision Explanation: The dollars requested were reduced to remove the ineligible construction charges.

# FUNDING COMMITMENT REPORT

Form 471 Application Number: 200540

Funding Request Number: 452535      Funding Status: Funded  
SPIN: 143001414      Service Provider Name: Scott County Tel. Coop.  
Contract Number: N/A  
Services Ordered: Telecommunications Service  
Earliest Possible Effective Date of Discount: 07/01/2000  
Contract Expiration Date: 07/01/2007  
Billing Account Number: 999 0043-8888888  
Pre-Discount Amount: \$53,680.32  
Discount Percentage Approved by the SLD: 60%  
Funding Commitment Decision: \$32,208.19

Funding Request Number: 452541      Funding Status: Funded  
SPIN: 143004771      Service Provider Name: Verizon South Incorporated  
Contract Number: N/A  
Services Ordered: Telecommunications Service  
Earliest Possible Effective Date of Discount: 07/01/2000  
Contract Expiration Date: 06/20/2005  
Billing Account Number: 149000028768796101  
Pre-Discount Amount: \$222,145.20  
Discount Percentage Approved by the SLD: 70%  
Funding Commitment Decision: \$155,501.64 - FRN approved; modified by SLD  
Funding Commitment Decision Explanation: The dollars requested were reduced to remove the ineligible construction charges. The shared discount was corrected

Funding Request Number: 452545      Funding Status: Funded  
SPIN: 143004771      Service Provider Name: Verizon South Incorporated  
Contract Number: N/A  
Services Ordered: Telecommunications Service  
Earliest Possible Effective Date of Discount: 07/01/2000  
Contract Expiration Date: 06/20/2005  
Billing Account Number: 149000024174681704  
Pre-Discount Amount: \$33,655.80  
Discount Percentage Approved by the SLD: 64%  
Funding Commitment Decision: \$21,539.71 - FRN approved; modified by SLD  
Funding Commitment Decision Explanation: The shared discount was corrected.

Funding Request Number: 452919      Funding Status: Funded  
SPIN: 143001420      Service Provider Name: Sprint/United Tel. - Southeast, Inc.  
Contract Number: 95-2033  
Services Ordered: Telecommunications Service  
Earliest Possible Effective Date of Discount: 07/01/2000  
Contract Expiration Date: 12/14/2005  
Billing Account Number: 5406286327  
Pre-Discount Amount: \$17,353.92  
Discount Percentage Approved by the SLD: 52%  
Funding Commitment Decision: \$9,024.04



FUNDING COMMITMENT REPORT

Form 471 Application Number: 200540

Funding Request Number: 454263      Funding Status: Funded  
SPIN: 143005695      Service Provider Name: Sprint Communications Company L.P.  
Contract Number: CC-0696-Sprint  
Services Ordered: Internet Access  
Earliest Possible Effective Date of Discount: 07/01/2000  
Contract Expiration Date: 06/11/2007  
Billing Account Number: N/A  
Pre-Discount Amount: \$36,432.00  
Discount Percentage Approved by the SLD: 57%  
Funding Commitment Decision: \$20,766.24 - FRN approved; modified by SLD  
Funding Commitment Decision Explanation: The shared discount was corrected.

Funding Request Number: 454265      Funding Status: Funded  
SPIN: 143001422      Service Provider Name: Verizon-Virginia, Inc.  
Contract Number: CC-0696-BELL  
Services Ordered: Telecommunications Service  
Earliest Possible Effective Date of Discount: 07/01/2000  
Contract Expiration Date: 06/11/2004  
Billing Account Number: N/A  
Pre-Discount Amount: \$78,051.60  
Discount Percentage Approved by the SLD: 57%  
Funding Commitment Decision: \$44,489.41 - FRN approved as submitted  
Funding Commitment Decision Explanation: The shared discount was corrected.

Entity Number <u>154960</u>	Applicant's Form Identifier <u>SVETN-1</u>
Contact Person <u>Bruce Mathews</u>	Phone Number <u>(540) 469-4020</u>

## Block 5: Discount Funding Request(s)

Block 5, page 6 of 10

Instructions: Use one Block 5 page for EACH service (Funding Request Number) for which you are requesting discounts. Make as many copies of this page as necessary, and number the completed pages to assure that they are all processed correctly.

FRN # \_\_\_\_\_ (to be assigned by administrator)

<b>11 Category of Service</b> (only ONE category should be checked) <input checked="" type="radio"/> Telecommunications Service <input type="radio"/> Internet Access <input type="radio"/> Internal Connections	<b>15 Contract Number</b> (if available; use "T" if tariffed services, "MTM" if month-to-month services as described in Instructions) <span style="float: right;">n/a</span>
	<b>16 Billing Account Number</b> (e.g., billed telephone number) <span style="float: right;">149000028768796101</span>
<b>12 Form 470 Application Number</b> (15 digits) <span style="float: right;">278300000201351</span>	<b>17 Allowable Contract Date</b> (mm/dd/yyyy, based on Form 470 filing) <span style="float: right;"><u>03/17/1999</u> <del>04/13/1998</del> <i>elm</i></span>
<b>13 SPIN - Service Provider Identification Number</b> (9 digits) <span style="float: right;">143004771</span>	<b>18 Contract Award Date</b> (mm/dd/yyyy) <span style="float: right;">06/20/1995</span>
	<b>19 Service Start Date</b> (mm/dd/yyyy) <span style="float: right;">07/01/2000</span>
<b>14 Service Provider Name:</b> <u>GTE South Incorporated</u>	<b>20 Contract Expiration Date</b> (mm/dd/yyyy) <span style="float: right;">06/20/2005</span>
<b>21 Description of This Service:</b> <span style="float: right;">You MUST attach a description of the service, including a breakdown of components and costs, plus any relevant brand names. Label this description with an Attachment #, and note number in space provided below.</span> Attachment # <u>6-2</u>	
<b>22 Entity/Entities Receiving This Service:</b> <span style="float: right;">a. If the service is site-specific (provided to one site and not shared by others), list the Entity Number of the entity from Block 4 receiving this service : _____</span> <span style="float: right;">b. If the service is shared by all entities on a Block 4 worksheet, list the worksheet number (e.g., A-1): <u>C - 4</u></span>	

Recurring Charges					One-Time Charges			Total Charges		
A	B	C	D	E	F	G	H	I	J	K
Monthly \$ charges (total amount per month for service)	How much of the \$ amount in (A) is ineligible?	Eligible monthly pre-discount amount (A minus B)	# of months service provided in program year	Annual pre-discount \$ amount for eligible recurring charges (D x C) Adjusted -- not all services are for 12 months	Annual non-recurring (one-time) \$ charges	How much of the \$ amount in (F) is ineligible?	Annual eligible pre-discount \$ amount for one-time charges (F minus G)	Total program year pre-discount \$ amount (E + H)	% discount (from Block 4 Worksheet)	Funding Commitment \$ Request (J x I)
20,259.51	1,747.41	18,512.10	12	<i>elm</i> 222,145.20 194,186.64	10,000.00	0	10,000.00	<i>elm</i> 232,145.20 204,186.64	71%	<i>elm</i> 164,823.09 144,972.51



Verizon Enterprise Solutions  
105 Newman Avenue  
Harrisonburg, VA 22801

January 11, 2001

Bruce Mathews  
Executive Director  
Southwest Virginia Education and Training Network  
P.O. Box 1987  
Abingdon, VA 24212

RECEIVED

JUN 8 2001

FCC MAIL ROOM

Dear Mr. Mathews:

Per our conversation from last month, here is the information that you requested. As discussed, I would recommend that SVETN budget \$10,000.00 for one time construction charges associated with moving the interactive video classrooms at Grundy High and Buchanan County Career Center. This figure, however, is based only on information currently available.

It was a pleasure speaking with you and I thank you for allowing me the opportunity to discuss with you some of the various products and services that Verizon has to offer. If you have any questions or concerns, please feel free to call.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Clark".

Michael R. Clark  
Account Manager - BDN

## Mathews, Bruce

---

**From:** Mathews, Bruce  
**Sent:** Tuesday, January 16, 2001 2:49 PM  
**To:** 'Ken Collis'  
**Subject:** RE: SVETN WANS and One-Time Charges

Mr. Collis,

I am faxing to your attention a letter from Michael Clark of Verizon South (formerly GTE) that substantiates the estimated one-time charge associated with FRN 452541. I'm doing so even though, in principle, I believe that it should not be a requirement for approval.

I respectfully point out that we have followed the instructions for Form 471 Block 5 that direct us as follows:

"Item (23), Column F: Estimate your total annual amount of non-recurring (one time) pre-discount charges for this service."

To expect more of us seems to change the ground rules.

I am unable provide documentation from Sprint for the probable one-time charges cited in FRN 452528. Certainly there is no financial liability associated with accepting our estimate. Ultimately, we will secure a discount only if and when the services actually are purchased.

The above comments notwithstanding, SVETN agrees to accept the decision of SLD in resolving the issue of one-time charges. Thanks for your continuing assistance.

Bruce Mathews

-----Original Message-----

From: Ken Collis [mailto:kcollis@neca.org]  
Sent: Tuesday, January 16, 2001 8:27 AM  
To: Mathews, Bruce  
Subject: RE: SVETN WANS

Mr. Matthews,

Please keep in mind that the requested information is due today. Contact me if assistance is needed.

Thank you,  
Ken Collis  
973-884-8137  
Fax# 973-884-8395

>>> "Mathews, Bruce" <bm4n@virginia.edu> 01/11/01 08:37AM >>>

Mr. Collis,

Thank you. I am still pursuing the documentation that you've requested for one-time charges.

Bruce Mathews

-----Original Message-----

From: Ken Collis [mailto:kcollis@neca.org]  
Sent: Thursday, January 11, 2001 7:37 AM  
To: Mathews, Bruce  
Subject: Re: SVETN WANS

Hello Mr. Matthews,

The explanation of router usage is sufficient documentation to clear your services. Also, I will need some documentation (receipt, quote, etc.) for the one-time charges. Please contact me if you foresee any difficulty in sending

this information by 1/16/01. Your cooperation is greatly appreciated.

Thank you,  
Ken Collis  
Phone# 973-884-8137  
Fax# 973-884-8034

>>> "Mathews, Bruce" <bm4n@virginia.edu> 01/10/01 04:08PM >>>  
Mr. Collis,

Here is my response to your query to SVETN concerning routers.

Sprint and GTE (now Verizon South) each provide under terms of their respective Master Agreements for interactive video services, an option for SVETN to purchase data transport services (telecommunications services) for all or for sub-sets of consortium partners. These data move on the same fiber optic circuits that serve our video classrooms.

Two such wide area computer networks (WANs) currently are incorporated in our contracts. One is provided by GTE, the other by Sprint. The WANs were created specifically to deliver the Internet to selected classrooms. The arrangement permits one DS3 Internet gateway to serve multiple classrooms over dedicated T-1 connections that are partitioned and routed by the telcos. SVETN asserts that these WANs are an eligible service under Para. 458 of CC Dkt No. 96-45 Report and Order and additionally the Fourth Order on Reconsideration, FCC 97-420, CC Dkt Nos. 96-45, Paragraphs 193 and 210, inasmuch as the following condition is met: "the service is a leased service provided by a common carrier."

The routers, on which a great deal of attention has been focused, are integral to the respective WANs. Each router in question is maintained on telco premises. Upon inquiry I've learned that the routers are: a Cisco 4000, two Cisco 4500s, and a Cisco 7204. In the case of Sprint, the router maintenance cost has been unbundled and is billed to SVETN as a separate monthly charge. This enables SVETN to calculate and subtract that portion of router maintenance benefiting Emory & Henry College, an ineligible entity.

SVETN's classroom-to-classroom WANs have never been configured to provide dial-up or any other type of remote access and there are no plans to do so at any future time.

++++  
Bruce Mathews     bm4n@virginia.edu  
Executive Director  
Southwest Virginia Education and Training Network  
P.O. Box 1987, Abingdon, VA 24212-1987  
----Located in the Southwest Virginia Higher Education Center,  
One Partnership Circle, on the campus of Virginia Highlands  
Community College, Abingdon 24210----  
Voice (540) 469-4020; Facsimile: (540) 469-4009  
<http://www.svetn.org>

# FAX COVER SHEET

*Transmitted*  
*2:48 pm*

TO: SLD Program Integrity Assurance Team  
FAX NUMBER: 973 884 8034  
ATTENTION: KEN COLLIS  
DATE: January 16, 2001  
FROM: Bruce Mathews

NUMBER OF PAGES SENT INCLUDING THIS PAGE: 2

## **SVETN - SOUTHWEST VIRGINIA EDUCATION AND TRAINING NETWORK**

**Telephone (540) 469 4020 Facsimile (540) 469 4009**

**Located at the Southwest Virginia Higher Education Center  
One Partnership Circle**

**Post Office Box 1987, Abingdon, Virginia 24212-1987**

### MESSAGE:

Mr. Collis,

I am faxing to your attention a letter from Michael Clark of Verizon South (formerly GTE) that substantiates the estimated one-time charge associated with **FRN 452541**. I'm doing so even though, in principle, I believe that it should not be a requirement for approval.

I respectfully point out that we have followed the instructions for Form 471 Block 5 that direct us as follows:

**"Item (23), Column F:** Estimate your total annual amount of non-recurring (one time) pre-discount charges for this service."

To expect more of us seems to change the ground rules.

I am unable to provide documentation from Sprint for the probable one-time charges cited in **FRN 452528**. Certainly there is no financial liability associated with accepting our estimate. Ultimately, we will secure a discount only if and when the services actually are purchased.

The above comments notwithstanding, SVETN agrees to accept the decision of SLD in resolving the issue of one-time charges. Thanks for your continuing assistance.

**IF YOU DO NOT RECEIVE ALL THE PAGES, PLEASE CALL US TO RE-FAX. THANKS!**